

**DESCRIPTION OF TRANSACTION  
AND PUBLIC INTEREST STATEMENT**

By this Form 603 assignment application, the applicants respectfully request Federal Communications Commission consent to the assignment of one Personal Communications Services (“PCS”) license from Vermont RSA No. 2-B2, Inc. (“Assignor”) to T-Mobile License LLC (“Assignee” and, together with Assignor, the “Parties”), as described herein.

**Description of the Transaction**

As of August 23, 2017, Assignee and Assignor entered into a License Purchase Agreement (the “Purchase Agreement”). Assignor currently holds the PCS license described in Attachment A hereto (the “License”). Pursuant to the Purchase Agreement, Assignor intends to sell, and Assignee intends to purchase, the entirety of the spectrum in the full geographic area of the License.

**Description of the Parties**

Assignee is a wholly-owned subsidiary of T-Mobile USA, Inc. (“T-Mobile USA”) and, indirectly, T-Mobile US, Inc. (“T-Mobile”), a publicly traded company, and part of the family of companies that operate under the T-Mobile® brand names. Deutsche Telekom AG, a publicly-traded German company based in Bonn, Germany (“DT”), holds a 64.29 percent interest in T-Mobile through its wholly-owned subsidiary T-Mobile Global Zwischenholding GmbH (“T-Mobile Global”). This subsidiary owns all of the equity and voting interests of T-Mobile Global Holding GmbH (“T-Mobile Holding”), which owns all of the equity and voting interests of Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the 64.29 percent interest in T-Mobile. The remaining 35.71 percent interest in T-Mobile is held by public shareholders.

Led by a management team with decades of collective experience in the telecommunications industry, T-Mobile is headquartered in Bellevue, Washington, offers nationwide wireless voice and data services to consumer and business customers and provides service to 69.56 million subscribers.<sup>1</sup> The Commission has repeatedly found that Assignee and its controlling companies have the requisite character and qualifications to hold Commission

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<sup>1</sup> See T-Mobile Earnings Release for Q2 2017 found on the T-Mobile website at the following link: <http://investor.t-mobile.com/Cache/1001225736.PDF?O=PDF&T=&Y=&D=&FID=1001225736&iid=4091145>.

authorizations.<sup>2</sup> An FCC Form 602 providing current ownership information for Assignee is on file with the Commission.<sup>3</sup>

Assignor is a wholly-owned subsidiary of United States Cellular Corporation ("USCC"), which is, in turn, a majority owned subsidiary of Telephone and Data Systems, Inc. ("TDS"). USCC and TDS are the real parties in interest in this application. USCC is a leading provider of wireless and related services in the United States serving 5 million customers nationwide through its Fourth Generation Long Term Evolution ("LTE") and CDMA networks. Further ownership and additional information regarding USCC and TDS can be found in their Forms 602, "Ownership Disclosure for Wireless Telecommunications Services," which are on file with the FCC.<sup>4</sup> USCC's qualifications as a wireless licensee are a matter of public record and have repeatedly been approved by the FCC.<sup>5</sup>

### **Transition Issues**

The transaction involves only the assignment of spectrum and does not include the transfer of any other assets, facilities or customers. Assignor will ensure that its customers continue to be served through its other licensed facilities in Burlington, VT or are transferred to another licensee following release from their contracts.

The Parties intend to consummate the subject transaction promptly following the Commission's consent to the assignment by "Final Order" (unless finality is waived by Assignor and Assignee) and the satisfaction of certain contractual conditions have been satisfied.

### **Public Interest Statement**

Section 310(d) of the Communications Act of 1934, as amended (the "Act") requires that the Commission determine whether the transaction presented herein is consistent with the public interest, convenience and necessity. To make that assessment, the Commission generally considers four factors: "(1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction would substantially frustrate or impair the

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<sup>2</sup> See, e.g., *Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 2322, 2330 ¶ 19 (WTB/IB 2013) ("*T-Mobile-MetroPCS Order*"); *Applications of T-Mobile USA, Inc. and SunCom Wireless Holdings, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 2515, 2519-20 ¶ 10 (2008).

<sup>3</sup> See FCC File No. 0007930575.

<sup>4</sup> See FCC File Nos. 0007768525 and 0007768506 respectively.

<sup>5</sup> See, e.g., *Application for Assignment of License from Glenwood Telephone Membership Corporation to USCOC Nebraska/Kansas LLC*, File No. 0007288777 (granted November 10, 2016).

Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) whether the transaction promises to yield affirmative public interest benefits.”<sup>6</sup> As part of its public interest analysis, the Commission reviews whether the transaction will have anti-competitive effects and, if so, whether there are overriding public interest benefits that would support a grant.

The Commission has determined that transfer and assignment applications that demonstrate on their face that a transaction will yield affirmative public interest benefits and will neither violate the Act or Commission rules nor frustrate or undermine policies and enforcement of the Act do not require extensive review and expenditures of considerable resources by the Commission.<sup>7</sup> The instant application meets this standard.

The proposed transaction will yield substantial public interest benefits by allowing Assignee to augment its spectrum holdings in the applicable market, enabling added capacity and improved data throughput speeds within existing coverage areas and thereby benefitting consumers. Thus, Commission approval of this application will enhance competition and improve the quality of services in the wireless marketplace.

Further, the proposed assignment of license will not result in any violation of the Act or any other applicable statutory provision, and the proposed license assignment fully complies with all Commission rules and regulations and requires no waivers. Grant of the proposed transaction will not frustrate or impair the Commission's implementation or enforcement or the objectives of the Act or other statutes.

Finally, the License is not subject to installment financing, bidding credits or restrictions on ownership based on designated entity status. The License was granted more than three years ago. Thus, Commission approval of the assignment will not result in any unjust enrichment issues.<sup>8</sup>

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<sup>6</sup> *SBC Communications Inc. and BellSouth Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 25,459, 25,464 ¶ 13 (WTB/IB 2000) (citation omitted). See also, e.g., *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9650 ¶ 23 (2013); *Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses*, Memorandum Opinion and Order and Declaratory Ruling, 27 FCC Rcd 10,698, 10,710 ¶ 28 (2012); *Application of AT&T Inc. and Qualcomm Inc. for Consent to Assign Licenses and Authorizations*, Order, 26 FCC Rcd 17,589, 17,598-99 ¶ 23 (2011).

<sup>7</sup> See, e.g., *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd at 9682 ¶ 102 (“[U]nder the Commission's sliding scale approach, where potential public interest harms appear unlikely . . . we will accept a lesser showing of public interest benefits.”).

<sup>8</sup> See 47 C.F.R. § 1.2111.

### **Spectrum Aggregation/Competition Analysis**

As discussed below, this assignment does not raise any spectrum aggregation or competitive concerns.

Spectrum Aggregation and Competitive Analysis. Because T-Mobile, post-consummation, will hold only between 90 and 92 MHz of attributable spectrum (and only between 40 and 42 MHz of attributable spectrum below 1 GHz) in the 10 counties subject to the instant assignment, T-Mobile's spectrum aggregation will be well below current levels requiring further competitive review (including the one-third low-band spectrum holdings threshold) (*see Exhibit 2*).<sup>9</sup>

This assignment does not raise any competitive or other public interest concerns. As discussed above, Assignor will ensure that its customers continue to be served through its other licensed facilities in Burlington, VT or are transferred to another licensee following release from their contracts. Moreover, there are numerous other carriers serving the market in which Assignee is acquiring spectrum (*see Exhibit 3*), which will ensure that a high degree of competition continues to exist.

### **Foreign Ownership of Assignee**

As noted above, Assignee is a wholly-owned subsidiary of T-Mobile USA. T-Mobile USA in turn is a wholly owned direct subsidiary of T-Mobile, a U.S.-organized entity. DT, a publicly-traded German corporation, holds a 64.29 percent interest in T-Mobile and, indirectly, in T-Mobile USA through the intermediate companies described above.

On December 30, 2013, the Commission granted, subject to certain conditions, T-Mobile's Petition for Declaratory Ruling under Section 310(b)(4) of the Act on behalf of its subsidiaries and affiliates holding common carrier radio licenses that it would not serve the public interest to prohibit more than 25 percent foreign ownership in T-Mobile.<sup>10</sup> That ruling also specifically

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<sup>9</sup> Upon the conclusion of the Commission's broadcast television incentive auction and release of the *Channel Reassignment Public Notice*, the "total amount of spectrum repurposed for flexible use wireless licenses" as a result of the auction was added to the initial spectrum screen. *Policies Regarding Mobile Spectrum Holdings*, Report & Order, 29 FCC Rcd 6133 ¶ 81 (2014) ("*Mobile Spectrum Holdings Order*"). On April 13, 2017, the Commission concluded the broadcast television incentive auction and released its *Channel Reassignment Public Notice*, repurposing a total of 70 MHz of spectrum for flexible use wireless licenses. *Incentive Auction Closing and Channel Reassignment Public Notice*, DA 17-314 (Apr. 13, 2017) ("*Channel Reassignment PN*"). Consistent with the *Mobile Spectrum Holdings Order* and the *Channel Reassignment PN*, the Parties understand that the initial spectrum screen is 238.5 MHz for all spectrum and 68 MHz for below-1-GHz spectrum.

<sup>10</sup> *See* File No. ISP-PDR-20130924-00006 (filed Sept. 24, 2013 and supplemented Oct. 24, 2013); *International Authorizations Granted*, Public Notice, Report No. TEL-01650, DA 14-24 (rel. Jan. 9, 2014).

permitted: (i) the specific foreign entities with a non-controlling interest in T-Mobile (*i.e.*, Kreditanstalt für Wiederaufbau and the Federal Republic of Germany (“FRG”)), to increase their equity and/or voting interests, at some future time up to and including a non-controlling indirect 49.99 percent equity and/or voting interest; and (ii) the specific foreign entities with a controlling interest in T-Mobile (*i.e.*, DT Holding B.V., T-Mobile Holding, T-Mobile Global and DT) to increase their interests, at some future time, up to and including 100 percent of T-Mobile’s equity and/or voting interests.<sup>11</sup> T-Mobile’s petition was filed in connection with an internal corporate reorganization that resulted in the insertion of a new direct parent company, DT Holding B.V., a limited liability company organized in the Netherlands, into T-Mobile’s ownership chain. That declaratory ruling includes all authority available under the rules, including the standard terms and conditions set forth in Section 1.994 of the rules, and thus extends to Assignee (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service license that is the subject of the instant assignment to Assignee. The foreign ownership in the licensees as approved has not materially changed since December 30, 2013 and will not be affected by the instant transaction.

#### **Compliance with DOJ/FBI/DOD Agreement by Assignee**

Assignee also requests that the Commission condition its grant of the assignment of the License on compliance with the provisions of the Agreement entered into on January 12, 2001, as amended, between DT, VoiceStream Wireless Corporation and VoiceStream Wireless Holding Corporation, on the one hand, and the Department of Justice and the Federal Bureau of Investigation on the other (the “Agreement”).<sup>12</sup> The Agreement prescribed that the following specific language be included in the conditional grant of interests in FCC licenses in the specific context of the Agreement:

It is further ordered, that the authorizations and the licenses related thereto are subject to compliance with the provisions of the Agreement attached hereto between Deutsche Telekom AG, VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation on the one hand, and the Department of Justice (the “DOJ”) and the Federal Bureau of Investigation (the “FBI”) on the other, dated January 12, 2001, which Agreement is designed to address national security, law enforcement, and public safety issues of the FBI and the DOJ regarding the authority granted herein. Nothing in the Agreement is intended to limit any

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<sup>11</sup> *Id.*

<sup>12</sup> See *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779, Appendix B (2001) (Agreement between DT, VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation, the Department of Justice and the Federal Bureau of Investigation dated Jan. 12, 2001). The Agreement was amended in 2008 to add the Department of Homeland Security as a party and also amended in 2013 in connection with license transfers associated with the T-Mobile/MetroPCS transaction. See *Applications of T-Mobile USA, Inc. and SunCom Wireless Holding, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 2515, Appendix B (2008); *T-Mobile/MetroPCS Order*, 28 FCC Rcd at Appendix B, Amendment No. 2.

obligation imposed by Federal law or regulation including, but not limited to, 47 U.S.C. § 222(a) and (c)(1) and the FCC's implementing regulations.<sup>13</sup>

Assignee hereby requests that the Commission impose a similar condition on the grant of the assignment of the License.

### **Conclusion**

Assignee respectfully submits that it is qualified to hold the License and that Commission approval of the requested assignment will serve the public interest, convenience and necessity. Accordingly, the Parties respectfully request that the Commission grant the instant application expeditiously and without conditions.

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<sup>13</sup> *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, 16 FCC Rcd at Appendix B, Exhibit A (Condition to FCC Licenses).

**ATTCHMENT A**

License

FCC Call Sign	Licensed Area	Channel Block	Frequencies (MHz)	Exp. Date
KNLF912	BTA063-Burlington, VT ULS Submarket 0	D	1865-1870 MHz & 1945-1950 MHz	4/28/2027